

**MONTANA-DAKOTA UTILITIES CO.  
REVENUES UNDER CURRENT AND PROPOSED RATES  
GAS UTILITY - EAST RIVER**

	Pro Forma 1/			Total Proposed Revenue	Proposed Revenue Increase	Percent Increase
<u>Customer Class/Rate</u>	<u>Customers</u>	<u>Dk</u>	<u>Revenue</u>			
<b>Residential - Rate 66</b>	4,963	310,028	\$3,075,611	\$3,622,353	\$546,742	17.8%
<b>Firm General Service - Rate 76</b>	838	350,713	3,368,184	3,671,187	303,003	9.0%
<b>Firm Contract Service Rate</b>	1	29,440	195,117	195,117	0	0.0%
<b>Total East River</b>	5,802	690,181	\$6,638,912	\$7,488,657	\$849,745	12.8%

1/ Rule 20:10:13:85 Statement I, Page 3.

**MONTANA-DAKOTA UTILITIES CO.  
GAS UTILITY - EAST RIVER  
ALLOCATION OF REVENUES  
PRO FORMA**

Rate Class	Billing Determinants					Embedded COS Before Increase		
	Bills	Dk	Distribution Revenues	Gas Costs	Total Revenues	Operating Income	Rate Base	Rate Of Return
Residential	59,556	310,028	\$665,143	\$2,410,468	\$3,075,611	(\$462,366)	\$3,915,509	-11.81%
Firm General Service	10,056	350,713	641,390	2,726,794	3,368,184	(44,373)	2,666,287	-1.66%
Firm Contract	12	29,440	9,498	185,619	195,117	1/		
Total East River	69,624	690,181	\$1,316,031	\$5,322,881	\$6,638,912	(\$506,739)	\$6,581,796	-7.70%

Rate Class	Target Rate Design - Distribution Revenues				Rate Design Results			
	Increase In Revenue	% Increase	Operating Income	Rate Of Return	Increase In Revenue	Total Revenues	% Incr	Rate Of Return
Residential	546,863	17.78%	(\$107,438)	-2.74%	\$546,742	\$3,622,353	17.78%	-2.75%
Firm General Service	303,137	9.00%	152,370	5.71%	303,003	3,671,187	9.00%	5.71%
Firm Contract	0	0.00%	-	-	0	195,117	0.00%	-
Total East River	\$850,000	12.80%	\$44,932	0.68%	\$849,745	\$7,488,657	12.80%	0.68%

Cost of Gas (Adjusted for Losses)

	<u>Pro Forma</u>
Firm	\$7.775
Firm Contract	\$6.305

1/ Operating Income and Rate Base for Firm Contract are included with Firm General Service.

**MONTANA-DAKOTA UTILITIES CO.  
GAS UTILITY - EAST RIVER  
RATE RECONCILIATION  
RESIDENTIAL GAS SERVICE - RATE 66  
PRO FORMA**

	Billing Units		Current		Proposed		Change
			Rate	Amount	Rate	Amount	
<b><u>Residential Rate 66</u></b>							
Basic Service Chg Rate 660	4,960	Cust	\$2.00	\$119,040	\$7.60	\$452,352	\$333,312
Basic Service Chg Rate 661	3	Cust	4.00	144	7.60	274	130
Subtotal	4,963			119,184		452,626	333,442
Distribution Charge							
First 3 dk	125,632	dk	1.761	221,238	2.449	307,673	86,435
Over 3 dk	184,396	dk	1.761	324,721	2.449	451,586	126,865
Subtotal	310,028	dk		545,959		759,259	213,300
Cost of Gas	310,028	dk	7.775	2,410,468	7.775	2,410,468	0
Total Residential Revenue				\$3,075,611		\$3,622,353	\$546,742
Total Distribution Revenues Per Design				\$1,211,885			
Target Distribution Revenues				1,212,006			
Difference				<u>(\$121)</u>			

**MONTANA-DAKOTA UTILITIES CO.  
GAS UTILITY - EAST RIVER  
RESIDENTIAL GAS SERVICE - RATE 66  
PRO FORMA**

Current Non-Gas Revenues	\$665,143
Proposed Revenue Increase	<u>546,863</u>
Total Revenue Requirement	\$1,212,006
Less:	
Proposed Base Rate Revenues	<u>452,626</u>
Remaining Revenues To Be Collected	759,380
Residential Consumption	310,028
Base Distribution Charge	\$2.449

**MONTANA-DAKOTA UTILITIES CO.**  
**GAS UTILITY - EAST RIVER**  
**RATE RECONCILIATION**  
**FIRM GENERAL GAS SERVICE - RATE 66 (Proposed Rate 76)**  
**PRO FORMA**

	<u>Billing Units</u>		<u>Current</u>		<u>Proposed</u>		<u>Change</u>
			<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	
<b><u>Firm General Rate 66</u></b>							
Basic Service Chg Rate 662	685	Cust	\$2.00	\$16,440	\$10.64	\$87,461	\$71,021
Basic Service Chg Rate 663 & 666	153	Cust	4.00	7,344	21.28	39,070	31,726
Subtotal	838			\$23,784		\$126,531	102,747
 Distribution Delivery							
First 15 dk	195,474	dk	1.761	344,230	2.332	455,845	111,615
Over 15 dk	155,239	dk	1.761	273,376	2.332	362,017	88,641
Subtotal	350,713			617,606		817,862	200,256
 Cost of Gas	350,713	dk	7.775	2,726,794	7.775	2,726,794	0
 Total Firm General Revenue				\$3,368,184		\$3,671,187	\$303,003

Total Distribution Revenues Per Design	\$944,393
Target Distribution Revenues	944,527
Difference	<u><u>(\$134)</u></u>

**MONTANA-DAKOTA UTILITIES CO.**  
**GAS UTILITY - EAST RIVER**  
**FIRM GENERAL GAS SERVICE - RATE 66 (Proposed Rate 76)**  
**PRO FORMA**

Current Non-Gas Revenues	\$641,390
Proposed Revenue Increase	<u>303,137</u>
Total Revenue Requirement	\$944,527
Less:	
Base Rate Revenues	126,531
Remaining Revenues To Be Collected	<u>817,996</u>
Firm General	350,713
Base Commodity Charge	\$2.332